United States Bankruptcy Court Western District of Missouri



NOTICE OF PROPOSED REVISIONS TO LOCAL RULES OF PRACTICE RELATED TO REFUNDS IN CONVERTED CHAPTER 13 CASES AND NOTICE OF PUBLIC COMMENT PERIOD

The Court is considering local rule changes in light of the United States Supreme Court's decision in <u>Harris v. Viegelahn</u>, <u>Chapter 13</u> <u>Trustee</u> to clarify that in cases converted from Chapter 13 the Trustee shall return to the debtor any post-petition wages not yet distributed. The affected local rules are provided below. Additions to the rules are in <u>red text</u> while deletions are denoted using a <u>strikethrough</u> feature. If you have comments or concerns regarding these changes, please submit them as directed below.

Comments will be accepted through September 14, 2015

Please email questions or comments to:

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Proposed Local Rules of Practice Revisions:

- 1. Rule 2016-1. Compensation for Services Rendered and Reimbursement of Expenses.

 - G. Payment of Attorney Fees through Chapter 13 Plan.
 - 2. Dismissed or Converted Cases. If the Chapter 13 case is dismissed or converted and the debtor's attorney is owed fees:
 - a. Pre-confirmation:
 - i. The attorney is not entitled to payment of attorney fees from the trustee other than from funds received on or before the date of the entry of the order of dismissal/conversion which otherwise would be refunded to the debtor; and
 - ii. In order to obtain those funds, less the trustee's fee, the Court must enter an order upon a timely filed motion.
 - b. Post-confirmation: The trustee shall distribute funds to creditors, including debtor's attorney, pursuant to the terms of the confirmed plan as funds are available.

2. Rule 3089-1. Refunds in Dismissed and Converted Chapter 13 Cases.

If a plan payment is received by the trustee on or before the date of the order of dismissal or conversion in a confirmed plan, those funds will be disbursed to creditors pursuant to the terms of the confirmed plan.